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DD560-4156

CONFIDENTIAL

21 NOV 1960

MEMORANDUM FOR : Deputy Director (Support)

SUBJECT : Establishment of Central Fund to Receive
Proceeds from Closed Clubs, Messes and
Other Facilities

REFERENCES : [REDACTED]

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1. This memorandum requests concurrence in the recommendation set forth in paragraph 5 below.

2. The contemplated closing of the [REDACTED] Club. As per reference (a) it was first anticipated that the net cash balance resulting from liquidation of the Club would be approximately \$2,500; however, subsequent information forwarded via reference (b) indicates that the sale of club property, when accomplished, may raise this figure to approximately \$21,000. In reply to reference (a), Headquarters forwarded reference (c) advising Chief of Station, [REDACTED] to have the [REDACTED] Club transfer to Headquarters the net cash on hand as well as proceeds from sale of club property which will be held in escrow pending establishment of a Central Club Fund.

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3. The Office of General Counsel was asked to rule on the legality of establishing a [REDACTED] Central Club Fund with the proceeds received from the [REDACTED] Club assets. The Office of General Counsel has advised (reference (d)) that it perceives no legal objection to the establishment of such a fund.

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4. The Department of the Army and the Department of the Air Force have had in existence for many years non-appropriated welfare funds. Financial support of these funds is derived in part but not limited to a percentage of the profits from the Army and Air Force exchange and motion picture services and from the sale of property remaining when command or unit non-appropriated fund activities are dissolved. Disbursements from these welfare funds may be made for, but not limited to, expenses related to sports, recreational, educational, religious, and welfare programs and activities. The existence of the Army and Air Force welfare funds provides a precedent for the establishment of a central fund for clubs, messes and other facilities in our Agency.

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5. Consistent with the proposed treatment relating to the funds to be derived from liquidation of the [REDACTED] Club, as previously discussed with you, it is recommended that:

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- a. The proceeds from the [REDACTED] Club be utilized to initiate an Agency Central Club Fund;
- b. An interest bearing savings account be established at headquarters through the facilities of the Finance Division, Monetary Branch for cash held on deposit for the Agency Central Club Fund, with interest accruing to the fund; and
- c. Such funds be used for the establishment and financial support of non-appropriated fund activities of the Agency, subject to the prior written approval of the Deputy Director (Support) of each transaction involving the use of such funds until such time as specific policies have been established relating to the control and purpose for which the funds will be used.

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[REDACTED]

Acting Comptroller

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CONCUR:

Signed

29 NOV 1960

L. K. WHITE
Deputy Director (Support)

Date

Distribution: 1 - TAS (via Compt) w/background
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TAS, [REDACTED] (15 November 1960)

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